

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of Financial and Insurance Services

In the matter of:

FIRST LIBERTY FINANCIAL, INC.
License/Registration No.: FL-1574

Enforcement Case No. 05-3144

Respondent.

_____ /

Issued and entered
This 1st day of August, 2005
by Linda A. Watters
Commissioner of Financial and Insurance Services

FINAL ORDER

I

BACKGROUND

The Commissioner of the Office of Financial and Insurance Services (OFIS) is authorized under the Mortgage Brokers, Lenders, and Servicers Licensing Act (MBLSLA), MCL 445.1651 *et seq.* to license, renew a license, revoke, suspend or deny a license. Additionally, the Commissioner is authorized to assess penalties and civil fines for certain violations of the statute.

Further, licensees under the MBLSLA are obligated to submit an annual report and an annual financial statement. Should a licensee fail to submit the required reports, the Commissioner is authorized to take action against the licensee up to and including assessing penalties and civil fines and revoking the license.

On or about May 5, 2005, staff of OFIS sent to Respondent by first class mail with sufficient postage affixed, a Notice of Opportunity to Show Compliance.

On or about June 29, 2005, a Notice of Intention to Revoke License was issued in this matter and mailed to Respondent via certified mail. Respondent received the Notice of Intention to Revoke License on July 7, 2005. The notice advised Respondent that:

“Within twenty (20) days after the issuance of this Notice of Intention to Revoke License, you must file a written request for a hearing if you desire to contest the order. If you fail to timely file a request for a hearing the commissioner will enter a final order revoking your license and assessing the maximum civil penalty and late filing fee permitted by statute.”

Respondent failed to file a request for a hearing within 20 days of receiving said Notice of Intention to Revoke. Section 12(1) of the MBLSLA provides that if a hearing is not requested within 20 days after the notice of intention to revoke, the commissioner shall enter a final order regarding suspension or revocation.

Pursuant to Governor Engler’s Executive Order 2000-4, effective April 3, 2000, all authority, powers, duties, functions and responsibilities of the former Financial Institutions Bureau and its Commissioner were transferred to the Office of Financial and Insurance Services and its Commissioner, respectively.

II ISSUE

The principal issue is whether Respondent failed to submit its 2004 annual report in a timely manner as required by section 21(3) of the MBLSLA, MCL 445.1671(3).

III FINDINGS OF FACT

Based on the foregoing considerations, it is found that:

1. At all pertinent times, **FIRST LIBERTY FINANCIAL, INC.** (Respondent) was licensed by the Office of Financial and Insurance Services pursuant to the MBLSLA.
2. As a licensee, Respondent knew or had reason to know that Section 21(3) of the MBLSLA requires licensees to file an annual report concerning its business and operations during the immediately preceding year on or before a date determined by the Commissioner.
3. Respondent further knew or had reason to know that pursuant to Section 21(3) of the MBLSLA, the Commissioner designated February 28, 2005, as the date by which annual reports for the year of 2004 must be filed.
4. Respondent failed to file its annual report for the year by February 28, 2005.
5. Section 12(1) of the MBLSLA provides that if a hearing is not requested within 20 days after the notice of intention to revoke, the commissioner shall enter a final order regarding suspension or revocation.
6. Respondent was provided proper notice of the opportunity for a hearing and the allegations and complaint.
7. Respondent has not requested a hearing in this matter.

IV CONCLUSIONS OF LAW

Based upon a review of applicable laws, it is concluded that:

1. Respondent violated section 21(3) of MBLSLA, supra, by failing to submit its 2004 annual report in a timely manner. The annual report is more than 40 days overdue.

V
ORDER

Therefore, it is ORDERED that:

1. Respondent's license is revoked.
2. In the event that Respondent applies to the OFIS for a license or registration in the future, Respondent shall pay a civil fine of \$1,000, pursuant to section 29(2)(a) of the MBLSLA, supra, for violating section 21(3) of MBLSLA, supra, as a precondition to receiving such a license or registration, assuming the applicant meets all other licensing requirements.



Linda A. Watters
Commissioner of Financial and
Insurance Services